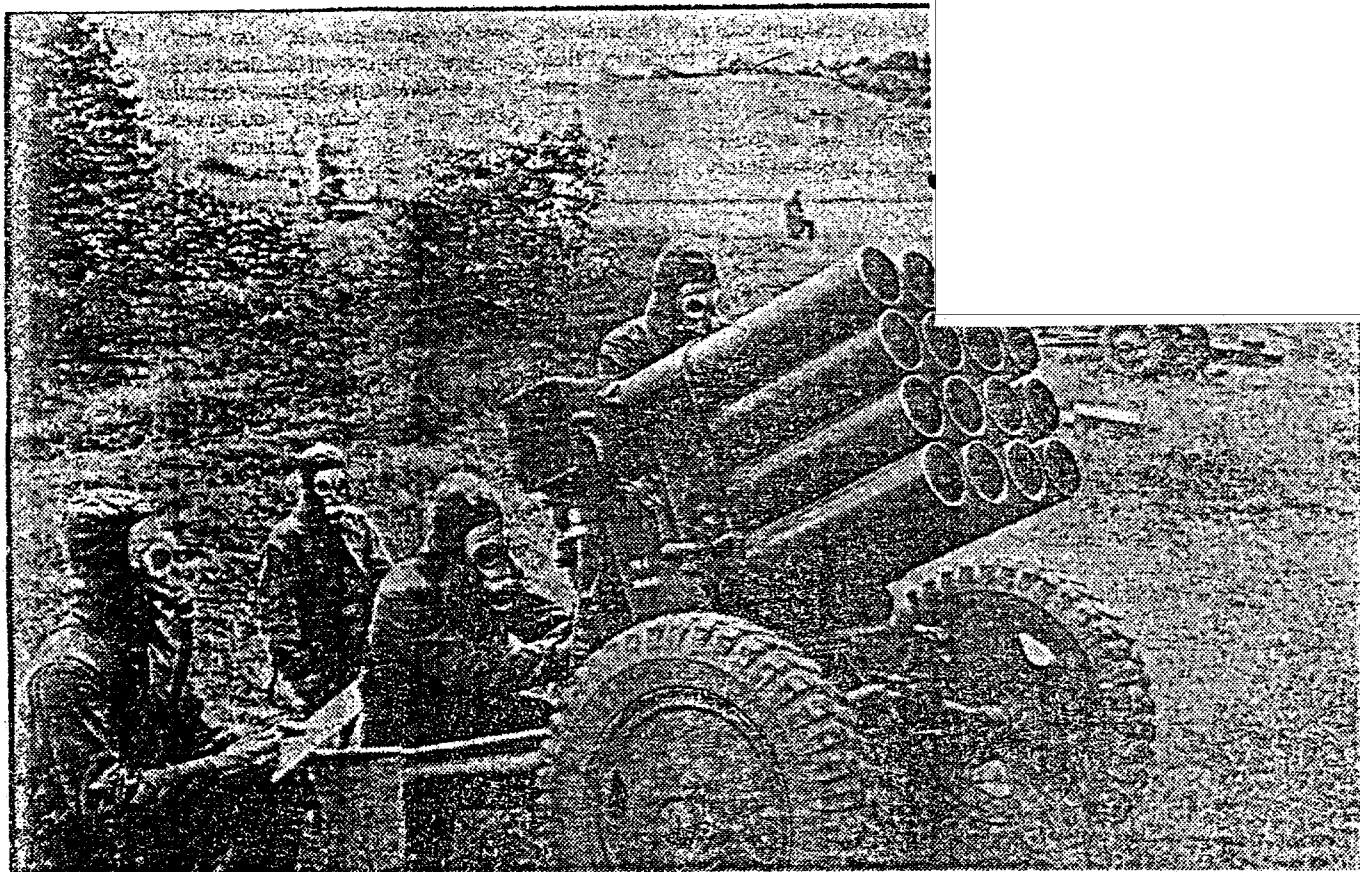


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At the fire position, Soviet troops practice chemical warfare

Sovfoto

USSR appears ready to spend more on military buildup rather than alleviating shortage of consumer goods

Squeeze play on Soviet consumer

DIA study sees bright oil outlook; but defense costs, crop failures hurt

By Daniel Southerland

Staff correspondent of The Christian Science Monitor

Washington

US defense intelligence officials predict a relatively bright future for the Soviet Union's production of oil and other sources of energy.

In a new study that holds important foreign policy implications, the US Defense Intelligence Agency (DIA) concludes that the Soviets will be capable of increasing their oil production through 1985 and again after 1990.

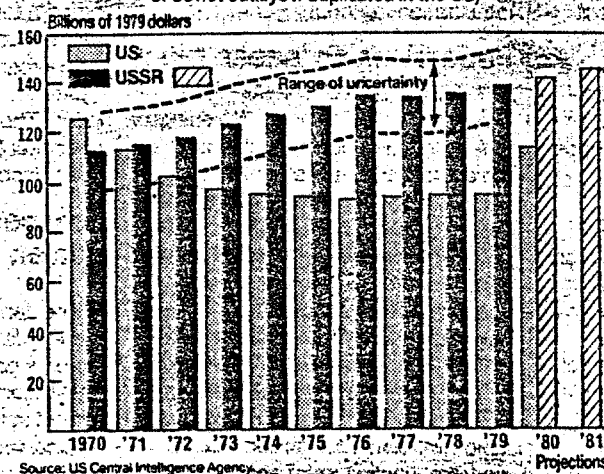
The DIA study sees energy, however, as just about the only bright spot for the Soviet economy. It predicts a further slowdown in economic growth in the 1980s, meaning continued shortages for the average Soviet consumer. But at the same time it sees no evidence of any slowdown in the current high levels of Soviet defense spending. And the burden of such defense spending, it says, cannot be offset

by projected huge revenues from overseas sales of Soviet oil and gas.

According to the DIA, draft guidelines for the Soviets' 11th five-year plan (1981-85) indicate that the Soviet leaders have

US and Soviet military spending

(Comparison of US spending with estimated costs of Soviet outlays if duplicated in the US)



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